

*This Agenda contains a brief general description of each item to be considered. Copies of the Staff reports or other written documentation relating to each item of business referred to on the Agenda are on file in the Office of the City Clerk and are available for public inspection. Any person who has a question concerning any of the agenda items may call the City Manager at (310) 603-0220, ext. 200.*

**OVERSIGHT BOARD TO THE SUCCESSOR AGENCY  
TO THE DISSOLVED LYNWOOD REDEVELOPMENT AGENCY**

**A G E N D A**

*Only Posted*  
**RECEIVED**

**SPECIAL MEETING  
AUGUST 13, 2013  
3:00 P.M.**

**AUG 08 2013**

**CITY OF LYNWOOD  
CITY CLERKS OFFICE**

*Maria Quiñonez  
by a/c*

**COUNCIL CHAMBERS  
LYNWOOD CITY HALL**

**11330 BULLIS ROAD, LYNWOOD, CA 90262**

**LUIS VALENZUELA  
CHAIR**

**DR. KEITH CURRY  
VICE CHAIR**

**MICHELLE BANKS-ORDONE  
BOARD MEMBER**

**MALCOLM BENNETT  
BOARD MEMBER**

**BRUNO NAULLS  
BOARD MEMBER**

**SARAH MAGANA WITHERS  
BOARD MEMBER**

**PETER WONG  
BOARD MEMBER**

**OPENING CEREMONIES**

1. CALL TO ORDER
2. CERTIFICATION OF AGENDA POSTING BY CITY CLERK
3. ROLL CALL OF BOARD MEMBERS

Michelle Banks-Ordone  
Malcolm Bennett  
Bruno Naulls  
Sarah Magana Withers  
Peter Wong  
Dr. Keith Curry  
Luis Valenzuela

4. PLEDGE OF ALLEGIANCE

**PUBLIC ORAL COMMUNICATIONS**  
(Regarding Agenda Items Only)

**NEW BUSINESS**

**5 MINUTES OF PREVIOUS MEETINGS:**

Regular Meeting – February 26, 2013

**6. A RESOLUTION OF THE OVERSIGHT BOARD OF THE CITY OF LYNWOOD, SUCCESSOR AGENCY TO THE DISSOLVED LYNWOOD REDEVELOPMENT AGENCY, DIRECTING THE COMMENCEMENT OF A REFUNDING OF CERTAIN BONDS**

**Comments:**

The County of Los Angeles has developed the Program to assist Successor Agency's ("SAs") in refinancing their outstanding redevelopment bonds in an efficient and cost-effective manner. It is anticipated that refunding bonds will be sold through a pooled financing structure. The County will establish a joint powers authority to serve as the issuer of bonds to the capital markets. Bonds issued under the Program may be sold in one or more series depending on the number of participating successor agencies and the various credit and financing characteristics of the refunded bonds.

**Recommendation:**

It is recommended that the Oversight Board approve the resolution entitled, " A RESOLUTION OF THE OVERSIGHT BOARD OF THE CITY OF LYNWOOD, SUCCESSOR AGENCY TO THE DISSOLVED LYNWOOD REDEVELOPMENT AGENCY, DIRECTING THE COMMENCEMENT OF A REFUNDING OF CERTAIN BONDS" directing the Successor Agency to undertake proceedings for the refunding of the 1999 Tax Allocation Bonds, Series A and the Tax Allocation Bonds, Series 1999, through participation in the County of Los Angeles Redevelopment Bond Refunding Program ("Program").

**OVERSIGHT BOARD ITEMS**

NONE

**ADJOURNMENT**

THE NEXT REGULAR OVERSIGHT BOARD MEETING WILL BE POSTED AS NEEDED. THE NEXT MEETING WILL BE HELD IN THE COUNCIL CHAMBERS OF CITY HALL, 11330 BULLIS ROAD, CITY OF LYNWOOD, CALIFORNIA

**OVERSIGHT BOARD TO THE SUCCESSOR AGENCY  
TO THE DISSOLVED LYNWOOD REDEVELOPMENT AGENCY**

**MINUTES**

**REGULAR MEETING  
TUESDAY, FEBRUARY 26, 2013  
3:00 P.M.**

**COUNCIL CHAMBERS  
LYNWOOD CITY HALL  
11330 BULLIS ROAD, LYNWOOD, CA 90262**

**1. CALL TO ORDER**

Chair Valenzuela called the meeting to order at 3:04 p.m.

**2. CERTIFICATION OF AGENDA POSTING BY CITY CLERK**

Tanya Ruiz, Secretary, confirmed that the Agenda was posted correctly.

**3. ROLL CALL OF BOARD MEMBERS**

**Board Members Present**

Chair Luis C. Valenzuela  
Vice Chair Dr. Keith Curry  
Board Member Bruno Naulls  
Board Member Sarah Magana Withers  
Board Member Peter Wong

**Board Members Absent**

Board Member Michelle Banks-Ordone  
Board Member Malcolm Bennett

**4. PLEDGE OF ALLEGIANCE**

Chair Valenzuela led the Pledge of Allegiance.

**PUBLIC ORAL COMMUNICATIONS**

There were no public comments.

**NEW BUSINESS**

**5. MINUTES OF PREVIOUS MEETINGS:**

**Regular Meeting – January 8, 2013**



**On motion of Vice Chair Curry, seconded by Board Member Wong, unanimously carried (Board Members Bennett and Banks-Ordone being absent), the Board approved the meeting minutes of January 8, 2013.**

**6. ADOPTION OF THE RECOGNIZED OBLIGATION PAYMENT SCHEDULE FOR THE PERIOD OF JULY 1, 2013 TO DECEMBER 31, 2013 (ROPS 13-14A) AND ADMINISTRATIVE BUDGET**

Lorry Hempe, Public Works Special Project Manager, provided an update on the Recognized Obligation Payment Schedule (ROPS) and Administrative Budget, and informed the Board that there were changes made to the ROPS list since the posting of the meeting agenda packet. The following line item changes were made to the ROPS:

Line Item 20 – Settlement Agreement (Rogel v. LRA) (#19A):

The Total Outstanding Debt or Obligation was changed from To Be Determined (TBD) to \$10 million. Ms. Hempe indicated that there are no current judgments therefore staff listed TBD under the Total Due During Fiscal Year 13-14 category.

Line Item 73 – Agreement (#84):

The Developer's funding amount was re-categorized from the Reserve Balance funding source to now "Other" funding sources category.

Line Item 76 – Property Disposition of Successor Agency properties (#86):

Total Outstanding Debt Obligation was increased from \$450,000 to \$1 million to allow for any unknown costs which may require clean-up and remediation of contaminated properties. Lorry Hempe indicated that staff anticipates a cost of \$120,000 for the 13-14 Fiscal Year, with \$70,000 being estimated for the first six months.

Line Item 86 – 2011 Tax Allocation Bonds Series B:

"Project Area A and Alameda" was added to the Project Area category.

Line Item 87 – Difference between approved actual RPTF funding received and DOF approved enforceable obligations:

"Project Area A and Alameda" was added to the Project Area category.

Line Item 88 – Enterprise Zone:

Line Item 88 was added to the ROPS with an amount of \$72,885 as the Total Outstanding Debt Obligation.

Line Item 89:

Unused Bond proceeds from 1999, which will allow staff to utilize towards projects that have been identified in the Bond Covenants.

Vice Chair Curry requested the Administrative costs the Successor Agency is incurring. Lorry Hempe informed that the Successor Agency is anticipating costs of approximately \$273,916 however noted that the Administrative Allowance is capped at \$250,000. Ms. Hempe indicated that the capped allowance is small in comparison to the expenses staff is obligated to pay which includes various staffing and vendor costs, operating expenses as well as all miscellaneous administrative expenditures.

**On motion of Board Member Wong, seconded by Vice Chair Curry, duly carried by the following vote, the Board adopted Resolution 2013.004, approving the Recognized Obligation Payment Schedule for the period of July 1, 2013 to December 31, 2013 (ROPS 13-14A) and an Administrative Budget for FY13-14:**

<b>AYES:</b>	<b>Board Members Wong, Withers, Naulls, Vice Chair Curry and Chair Valenzuela</b>
<b>NOES:</b>	<b>None</b>
<b>ABSTENTIONS:</b>	<b>None</b>
<b>ABSENT:</b>	<b>Board Members Banks-Ordone and Bennett</b>

### **OVERSIGHT BOARD ITEMS**

Vice Chair Curry questioned the Agency's status on the Long Range Property Management Plan (LRPMP)

Fred Galante, City Attorney, informed the Board that staff has been delayed in beginning the LRPMP due to the recent deadlines imposed by the Department of Finance (DOF); however, Mr. Galante indicated that staff expects to begin working on the plan soon.

### **ADJOURNMENT**

**On motion of Chair Valenzuela, seconded by Vice Chair Curry, unanimously carried (Board Members Banks-Ordone and Bennett being absent), the meeting adjourned at 3:37 p.m.**



## AGENDA STAFF REPORT

DATE: August 13, 2013

TO: Honorable Chair and Members of the Lynwood Oversight Board

FROM: Amanda Roberson, Finance Director *AR*

SUBJECT: **A RESOLUTION OF THE OVERSIGHT BOARD OF THE CITY OF LYNWOOD, SUCCESSOR AGENCY TO THE DISSOLVED LYNWOOD REDEVELOPMENT AGENCY, DIRECTING THE COMMENCEMENT OF A REFUNDING OF CERTAIN BONDS**

### **Recommendation:**

It is recommended that the Oversight Board approve the resolution entitled, " A RESOLUTION OF THE OVERSIGHT BOARD OF THE CITY OF LYNWOOD, SUCCESSOR AGENCY TO THE DISSOLVED LYNWOOD REDEVELOPMENT AGENCY, DIRECTING THE COMMENCEMENT OF A REFUNDING OF CERTAIN BONDS" directing the Successor Agency to undertake proceedings for the refunding of the 1999 Tax Allocation Bonds, Series A and the Tax Allocation Bonds, Series 1999, through participation in the County of Los Angeles Redevelopment Bond Refunding Program ("Program").

### **Background:**

Effective February 1, 2012, pursuant to Assembly Bill x1 26 ("AB 26"), redevelopment agencies throughout the State were abolished and prohibited from engaging in future redevelopment activities. AB 26 enabled the formation of Successor Agencies ("SAs"), which have the responsibility of winding down outstanding obligations of the former redevelopment agencies. AB 26 did not allow SAs to issue any new debt; however, the legislative language was unclear on whether a debt refinancing was considered a new debt issuance.

On June 27, 2012, the State passed Assembly Bill 1484 ("AB 1484"), which included provisions permitting SAs to refund outstanding bonds or other obligations of a former redevelopment agency to achieve savings. Certain SAs have since refunded their existing redevelopment bonds to provide savings to taxing entities. Several other SAs around the State are in the process of taking actions to refund their existing redevelopment bonds based on today's favorable interest rate environment.

AGENDA  
ITEM

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### Discussion & Analysis:

The Lynwood Public Financing Authority (the "Authority") issued \$10,235,000 of 1999 Tax Allocation Bonds, Series A (the "Series A Bonds") for the benefit of the Lynwood Redevelopment Agency (the "Agency") to fund, among other things, a loan to the Agency to refinance certain prior obligations and pay for eligible costs of the Lynwood Redevelopment Project Area A. In 1999, the Authority also issued \$1,310,000 of Tax Allocation Bonds, Series 1999 (the "Series 1999 Bonds", and together with the "Series A Bonds", the "Prior Bonds") for the benefit of the Agency to fund, among other things, a loan to the Agency to refinance certain prior obligations and pay for eligible costs of the Alameda Project Area. The Prior Bonds are currently outstanding in the amount of \$11.10 million, and have a final term of 2028 with existing interest rates ranging from 5.85% to 6.30%. Based on today's interest rates, the Prior Bonds could be refunded to the same term at interest rates ranging from 1.00% to 5.50%. The refunding bonds (the "Refunding Bonds") would produce annual savings of about \$114,393 (total savings of \$1,659,006). These savings will increase the amount of "residual" property tax available to be redistributed to other taxing entities based on their proportionate share of the 1% property tax levy. The potential savings from the refunding are summarized below.

<b>Name of Bond(s) Refunded</b>	<b>Annual Savings</b>	<b>Total Savings</b>	<b>Total NPV Savings</b>
1999 Tax Allocation Bonds, Series A	\$100,167	\$1,502,512	\$1,298,002
Tax Allocation Bonds, Series 1999	\$14,226	\$156,494	\$108,950
<b>TOTAL</b>	<b>\$114,393</b>	<b>\$1,659,006</b>	<b>\$1,406,952</b>

The County of Los Angeles has developed the Program to assist SAs in refinancing their outstanding redevelopment bonds in an efficient and cost-effective manner. It is anticipated that refunding bonds will be sold through a pooled financing structure. The County will establish a joint powers authority to serve as the issuer of bonds to the capital markets. Bonds issued under the Program may be sold in one or more series depending on the number of participating successor agencies and the various credit and financing characteristics of the refunded bonds. The Program offers SA participants the following benefits:

- **County Assistance** - The County will lead the effort to prepare all legal documents and Official Statements, solicit credit ratings and market the bonds.
- **Department of Finance Approval** - The Program has been assigned dedicated staffing by the Department of Finance that will streamline the approval process required under AB 1484. The County will take the lead in seeking approval of the refunding transaction from the Department of Finance and in obtaining a final and conclusive determination for ROPS payments related to the Refunding Bonds.

- **Continuing Disclosure** - The County will assume substantial responsibility for continuing disclosure related to the Refunding Bonds.
- **Efficient Procurement Process** - The County has put together a team of financial and legal experts to work on all aspects of the financing process.
- **Economies of Scale** - With multiple participants in the financing pool, the successor agency can achieve reduced costs of issuance.
- **Enhanced Financing Structure** - The Program will feature structural enhancements that improve the marketability of the Refunding Bonds and increase savings to local taxing entities.

The deadline for interested SAs in participating in the 2013 refunding bond pool ("2013 Pool") is August 2013. Upon formally joining the 2013 Pool, the County will begin the process to draft finance documents for review and approval from the Oversight Board and the Department of Finance in Summer/Fall 2013. The schedule below outlines the financing milestones associated with the 2013 Pool.

<b>May - July 2013</b>	<ul style="list-style-type: none"> <li>• One-on-one meetings with SAs (Application Period)</li> <li>• County JPA formation</li> </ul>
<b>August 2013</b>	<ul style="list-style-type: none"> <li>• <b>Deadline to submit executed Oversight Board Resolutions</b></li> </ul>
<b>August - Oct. 2013</b>	<ul style="list-style-type: none"> <li>• Draft documents, credit rating meetings</li> <li>• Successor Agency, Oversight Board &amp; DOF approvals</li> </ul>
<b>November 2013</b>	<ul style="list-style-type: none"> <li>• County sells the Refunding Bonds</li> </ul>
<b>December 2013</b>	<ul style="list-style-type: none"> <li>• Bond closing</li> </ul>

#### **Fiscal Impact:**

If the Refunding Bonds are issued under current market conditions, the refinancing will reduce existing debt payments by \$1,659,006 over the life of the refunding bonds, which will increase the "residual" property tax distribution to all taxing entities. The City will receive a share of this savings as a residual distribution from the Redevelopment Property Tax Trust Fund ("RPTTF"). Based on its recently approved ROPS, the City will receive about 17% of the total savings generated from the Refunding Bonds, which is currently estimated to be \$282,031. All costs of the refinancing will be paid on a contingent basis from the bond proceeds.

If the refinancing does not proceed for any reason, any costs already incurred by the SA will be submitted for reimbursement on the next ROPS pursuant to Health & Safety Code Section 34171(b) which shall not count against any administrative cost allowance of the SA.



Submitted by:

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Approved as to form by:

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Fred Galante  
Successor Agency Legal Counsel

Coordinated With:

Community Development Department

Attachment:

• Resolution No. \_\_\_\_\_ - A RESOLUTION OF THE OVERSIGHT BOARD OF THE CITY OF LYNWOOD, SUCCESSOR AGENCY TO THE DISSOLVED LYNWOOD REDEVELOPMENT AGENCY, DIRECTING THE COMMENCEMENT OF A REFUNDING OF CERTAIN BONDS

**RESOLUTION NO. \_\_\_\_\_**

**A RESOLUTION OF THE OVERSIGHT BOARD OF THE  
CITY OF LYNWOOD, SUCCESSOR AGENCY TO THE  
DISSOLVED LYNWOOD REDEVELOPMENT AGENCY,  
DIRECTING THE COMMENCEMENT OF A REFUNDING  
OF CERTAIN BONDS**

**WHEREAS**, California Assembly Bill No. 26 (First Extraordinary Session) (“AB1X 26”) adopted on June 29, 2011, dissolved all redevelopment agencies and community development agencies in existence in the State of California, as of February 1, 2012, and designated “successor agencies” and “oversight boards” to satisfy “enforceable obligations” of the former redevelopment agencies and administer dissolution and wind down of the former redevelopment agencies; and

**WHEREAS**, Assembly Bill No. 1484, a follow on bill to AB1X 26, was enacted on June 27, 2012 and provides a mechanism to refund tax allocation bonds under certain circumstances; and

**WHEREAS**, pursuant to California Health and Safety Code Section 34173(d), the City of Lynwood is the successor agency (the “Successor Agency”) to the dissolved Lynwood Redevelopment Agency (“Agency”), confirmed by Resolution No. 2012.010 adopted by the City of Lynwood on January 10, 2012; and

**WHEREAS**, Health and Safety Code Section 34179(a) provides that each successor agency shall have an oversight board composed of seven members; and

**WHEREAS**, the Successor Agency has duly established such oversight board (the “Oversight Board”) pursuant to Health and Safety Code Section 34179(a); and

**WHEREAS**, the Oversight Board, pursuant to Health and Safety Code Section 34177.5(f), may direct the Successor Agency to issue bonds to refund the bonds of its former redevelopment agency to provide debt service savings to the Successor Agency; and

**WHEREAS**, an oversight board may only direct such a refunding so long as the successor agency is able to recover its related costs in connection with the transaction;

**WHEREAS**, the recovery of such costs in connection with such a refunding transaction shall be supplemental to, and not constrained by, the administrative cost allowance as such allowance is defined in Health and Safety Code Section 34171(b); and

**WHEREAS**, the Oversight Board is informed by the Successor Agency that in 1999, the Lynwood Public Financing Authority (the “Authority”) for the benefit of the Agency issued the 1999 Tax Allocation Bonds, Series A (the “Series A Bonds”) in the aggregate principal amount of \$10,235,000, attributable to the Agency’s Redevelopment Project Area A, which bonds are subject to optional redemption at any time at a redemption price equal to the outstanding principal amount thereof, plus accrued interest due thereon to the date fixed for redemption, without premium; and

**WHEREAS**, the Oversight Board is informed by the Successor Agency that in 1999, the Authority for the benefit of the Agency issued its Tax Allocation Bonds, Series 1999 (the "Series 1999 Bonds", and together with the "Series A Bonds", the "Prior Bonds") in the aggregate principal amount of \$1,310,000, attributable to the Agency's Redevelopment Alameda Project Area, which bonds are subject to optional redemption at any time at a redemption price equal to the outstanding principal amount thereof, plus accrued interest due thereon to the date fixed for redemption, without premium; and

**WHEREAS**, the Successor Agency, has indicated that there are potential debt service savings that can be achieved through a refinancing of the Prior Bonds, and the Oversight Board now wishes to direct the Successor Agency to prepare for the refunding of all or a portion of the Prior Bonds, and such other bonds of the Agency as may be hereafter identified, to achieve debt service savings; and

**WHEREAS**, the County of Los Angeles (the "County"), a political subdivision of the State of California and taxing entity recipient of property tax revenues, represented by voting membership on this Oversight Board, has developed a program (the "Refunding Program") to assist successor agencies within the County to refund tax allocation bonds pursuant to AB 1484 in order to provide debt service savings to the Successor Agency, efficiencies in issuance and cost of issuance savings.

**NOW THEREFORE, THE OVERSIGHT BOARD OF THE CITY OF LYNWOOD AS SUCCESSOR AGENCY TO THE DISSOLVED LYNWOOD REDEVELOPMENT AGENCY DOES HEREBY RESOLVE AS FOLLOWS:**

**Section 1. Recitals.** The Recitals set forth above are true and correct and are incorporated into this Resolution by this reference.

**Section 2. Request for Refunding.** Pursuant to Health and Safety Code Section 34177.5(f), the Oversight Board hereby requests the Successor Agency to prepare to issue bonds (the "Refunding Bonds"), which bonds may be sold to a joint powers authority pursuant to the Marks-Roos Local Bond Pooling Act (Article 4 (commencing with Section 6584) of Chapter 5 of Division 7 of Title 1 of the Government Code) following a determination by the Successor Agency to participate in the Refunding Program, to refund all or a portion of the Prior Bonds; provided that this request shall not offer any assurance that bonds will be sold by the issuer under the Refunding Program to refund all or any portion of the Prior Bonds. The Successor Agency is further requested to return to the Oversight Board, once the refunding issue and related documents have been prepared, for approval of the refunding pursuant to Health and Safety Code Section 34180(b).

**Section 3. Recovery of Costs.** The Oversight Board hereby authorizes and approves the Successor Agency to cover reasonable related costs incurred in connection with this transaction. The Successor Agency may recover such costs from the proceeds of the Refunding Bonds or, if the Successor Agency is not able to issue its bonds or the issuer under the Refunding Program is not able to issue its bonds relating to the Successor Agency, by including such costs in a future

Recognized Obligation Payment Schedule. The recovery of such costs shall be in addition to and shall not count against any administrative cost allowance of the Successor Agency as such allowance is defined in Health and Safety Code Section 34171(b).

**Section 4. Severability.** If any provision of this Resolution or the application of any such provision to any person or circumstance is held invalid, such invalidity shall not affect other provisions or applications of this Resolution that can be given effect without the invalid provision or application, and to this end the provisions of this Resolution are severable. The Oversight Board declares that the Oversight Board would have adopted this Resolution irrespective of the invalidity of any particular portion of this Resolution.

**Section 5. Effective Date.** Pursuant to Health and Safety Code Section 34179(h), all actions taken by the Oversight Board may be reviewed by the California Department of Finance and, therefore, this Resolution shall be effective five (5) business days after notice to the Department of Finance unless the Department requests a review of the actions taken in this Resolution, in which case this Resolution will be effective upon approval by the Department.

**PASSED AND ADOPTED** by the Oversight Board for the Successor Agency to the Dissolved Lynwood Redevelopment Agency this 13<sup>th</sup> day of August, 2013, by the following vote, to wit:

AYES:

NOES:

ABSENT:

ABSTAIN:

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Luis Valenzuela, Chair of the Oversight Board

[Add Secretary certification]

I certify that the foregoing Resolution was passed and adopted by the Oversight Board for the Successor Agency to the dissolved Lynwood Redevelopment Agency, at a regular meeting held on August 6, 2013 by the following vote:

AYES:

NOES:

ABSENT:

ABSTAINED:

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Luis Valenzuela Chairperson

ATTESTED:

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Oversight Board Secretary